

## UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the 1st Quarter Ended 30 September 2020

|   | Individual Quarter                 |  |            | Cumulative Quarter                 |   |            |
|---|------------------------------------|--|------------|------------------------------------|---|------------|
|   | Current Year Quarter<br>30/09/2020 | Preceding Year Corresponding Quarter<br>30/09/2019 | Changes    | Current Year To Date<br>30/09/2020 | Preceding Year Corresponding Period<br>30/09/2019 | Changes    |
|   | RM'000                             | RM'000   | %          | RM'000                             | RM'000  | %          |
| <b>Revenue</b>  | 49,273                             | 50,393   | -2         | 49,273                             | 50,393  | -2         |
| Cost of Sales   | (31,119)                           | (45,259)   | 31         | (31,119)                           | (45,259)  | 31         |
| <b>Gross Profit</b>   | 18,154                             | 5,134  | <b>254</b> | 18,154                             | 5,134   | <b>254</b> |
| Other Income  | 639                                | 294  |            | 639                                | 294   |            |
| Interest Income   | 307                                | 218  |            | 307                                | 218   |            |
| Operating Expenses  | (6,504)                            | (6,606)  |            | (6,504)                            | (6,606)   |            |
| Finance Costs   | (130)                              | (696)  |            | (130)                              | (696)   |            |
| Share of results of associates  | 620                                | (192)  |            | 620                                | (192)   |            |
| <b>Profit/(Loss) Before Tax</b>   | <b>13,086</b>                      | <b>(1,848)</b>                                     | <b>808</b> | <b>13,086</b>                      | <b>(1,848)</b>                                    | <b>808</b> |
| Tax Expenses  | (3,831)                            | (971)  |            | (3,831)                            | (971)   |            |
| <b>Profit/(Loss) for the period</b>                                     | <b>9,255</b>                       | <b>(2,819)</b>                                     | <b>428</b> | <b>9,255</b>                       | <b>(2,819)</b>                                    | <b>428</b> |
| Profit/(Loss) attributable to :   |                                    |  |            |                                    |   |            |
| Owners of the Company   | 5,812                              | (2,197)  | 365        | 5,812                              | (2,197)   | 365        |
| Non-controlling interest  | 3,443                              | (622)  | 654        | 3,443                              | (622)   | 654        |
|   | <b>9,255</b>                       | <b>(2,819)</b>                                     | <b>428</b> | <b>9,255</b>                       | <b>(2,819)</b>                                    | <b>428</b> |
| Weighted average no. of shares ('000)                                   | 370,807                            | 372,775  |            | 370,807                            | 372,775   |            |
| <b>Earnings per share attributable to Owners of the Company ( sen )</b> |                                    |  |            |                                    |   |            |
| - Basic   | <b>1.57</b>                        | <b>(0.59)</b>                                      |            | <b>1.57</b>                        | <b>(0.59)</b>                                     |            |
| - Diluted   | <b>1.57</b>                        | <b>(0.59)</b>                                      |            | <b>1.57</b>                        | <b>(0.59)</b>                                     |            |

(The unaudited Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the 1st Quarter Ended 30 September 2020**

|  | Individual Quarter                    |  |            | Cumulative Quarter                    |   |            |
|--|---------------------------------------|--|------------|---------------------------------------|---|------------|
|  | Current Year<br>Quarter<br>30/09/2020 | Preceding Year<br>Corresponding<br>Quarter<br>30/09/2019 | Changes    | Current Year<br>To Date<br>30/09/2020 | Preceding Year<br>Corresponding<br>Period<br>30/09/2019 | Changes    |
|  | RM'000                                | RM'000   | %          | RM'000                                | RM'000  | %          |
|  |                                       |  |            |                                       |   |            |
| <b>Profit/(Loss) for the period</b>                        | 9,255                                 | (2,819)  | 428        | 9,255                                 | (2,819)   | 428        |
| <b>Other comprehensive income/(loss) :</b>                 |                                       |  |            |                                       |   |            |
| Net gain on other investment                               |                                       |  |            |                                       |   |            |
| - Gain/(loss) on fair value changes                        | 5,103                                 | 1,177  |            | 5,103                                 | 1,177   |            |
| Foreign currency translation                               |                                       |  |            |                                       |   |            |
| - Gain/(loss) on currency translation                      | 3                                     | (15)   |            | 3                                     | (15)  |            |
| <b>Total Comprehensive income/(loss)</b>                   | <b>14,361</b>                         | <b>(1,657)</b>   | <b>967</b> | <b>14,361</b>                         | <b>(1,657)</b>  | <b>967</b> |
| <b>Total comprehensive income/(loss) attributable to :</b> |                                       |  |            |                                       |   |            |
| Owners of the Company                                      | 10,916                                | (1,027)  | 1163       | 10,916                                | (1,027)   | 1163       |
| Non-controlling interest                                   | 3,444                                 | (630)  | 647        | 3,444                                 | (630)   | 647        |
|  | <b>14,361</b>                         | <b>(1,657)</b>   | <b>967</b> | <b>14,361</b>                         | <b>(1,657)</b>  | <b>967</b> |
|  |                                       |  |            |                                       |   |            |

(The unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

|  | (Unaudited)<br>As At<br>End of<br>Current Quarter<br>30/9/2020<br>RM'000 | (Audited)<br>As At<br>Financial<br>Year Ended<br>30/6/2020<br>RM'000 |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-current assets</b>  |  |  |
| Property, plant & equipment  | 40,277   | 41,040   |
| Right-of-use assets  | 753  | 899  |
| Investment properties  | 44,129   | 44,129   |
| Investment securities  | 15,705   | 10,601   |
| Investment in associates   | 5,387  | 4,767  |
| Intangible assets  | 216  | 216  |
| Other receivables & prepayments  | 13,555   | 13,543   |
| Goodwill   | 7  | 7  |
|  | 120,029  | 115,202  |
| <b>Current assets</b>  |  |  |
| Inventories  | 120,425  | 122,436  |
| Trade receivables  | 40,610   | 48,032   |
| Other receivables  | 21,861   | 22,892   |
| Contract Assets  | 32,256   | 21,753   |
| Tax recoverable  | 6,404  | 7,838  |
| Amount due from associates   | 30,913   | 30,791   |
| Short-term investments   | 23,566   | 27,661   |
| Fixed deposits with licensed banks                                     | 12,650   | 12,601   |
| Cash and bank balances   | 40,406   | 35,221   |
|  | 329,091  | 329,225  |
| <b>TOTAL ASSETS</b>  | 449,120  | 444,427  |
| <b>EQUITY AND LIABILITIES</b>  |  |  |
| <b>Equity attributable to owners of the Company</b>                    |  |  |
| Share capital  | 194,303  | 194,303  |
| Treasury shares  | (1,655)  | (1,655)  |
| Other reserves   | 1,110  | 1,110  |
| Fair value reserves  | 3,881  | (1,222)  |
| Foreign currency translation reserves                                  | (710)  | (712)  |
| Retained profits   | 123,773  | 117,961  |
| Equity attributable to owners of the Company                           | 320,702  | 309,785  |
| Non-Controlling interests  | 17,793   | 17,289   |
| <b>TOTAL EQUITY</b>  | 338,495  | 327,074  |
| <b>Non-current liabilities</b>   |  |  |
| Deferred tax liabilities   | 7,776  | 7,774  |
| Loans and borrowings   | 2,638  | 1,941  |
| Lease liability  | 188  | 332  |
|  | 10,602   | 10,047   |
| <b>Current liabilities</b>   |  |  |
| Loans and borrowings   | 29,515   | 28,525   |
| Lease liability  | 587  | 586  |
| Trade payables   | 29,240   | 36,112   |
| Other payables   | 33,103   | 33,016   |
| Contract liabilities   | 7,029  | 9,066  |
| Provision of taxation  | 549  | 1  |
|  | 100,023  | 107,306  |
| <b>TOTAL LIABILITIES</b>   | 110,625  | 117,353  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    | 449,120  | 444,427  |
| <b>Net assets per share attributable to owners of the Company (RM)</b> | 0.8649   | 0.8354   |
| <b>No. of Shares issued (net of treasury shares)</b>                   | 370,806,692  | 370,806,692  |

(The unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2020**

|   | End of<br>Current<br>Quarter | End of<br>Preceding<br>Corresponding<br>Quarter |
|---|------------------------------|---|
|   | 30/9/2020                    | 30/9/2019                                       |
|   | RM'000                       | RM'000  |
| <b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>                   |                              |   |
| Profit/(Loss) before taxation                                       | 13,086                       | (1,848)   |
| Adjustment for :  |                              |   |
| Amortisation of intangible assets                                   | -                            | 1   |
| Depreciation on property, plant and equipment                       | 3,428                        | 3,352   |
| Depreciation on right-of-use assets                                 | 146                          | -   |
| (Gain) / Loss on disposal of property, plant and equipment          | (45)                         | -   |
| (Gain) / Loss on investment fund                                    | (119)                        | (54)  |
| Interest income   | (188)                        | (163)   |
| Dividend income   | (7)                          | -   |
| Finance costs   | 142                          | 695   |
| Share of results of associates                                      | (620)                        | 192   |
| Unrealise (gain) / loss on foreign exchange differences             | (122)                        | 686   |
| Unrealise (gain) / loss on investment fund                          | 2                            | (15.00)   |
| <b>Operating profit before working capital changes</b>              | <b>15,703</b>                | <b>2,846</b>                                    |
| Change in working capital   |                              |   |
| (Increase)/Decrease in inventories                                  | 2,010                        | 4,731   |
| (Increase)/Decrease in receivables                                  | 7,597                        | 13,764  |
| Increase/(Decrease) in payables                                     | (6,785)                      | (10,532)  |
| Decrease/(Increase) in contract assets/liabilities                  | (12,540)                     | (6,219)   |
| <b>Cash generated from / (used in) operations</b>                   | <b>5,985</b>                 | <b>4,590</b>                                    |
| Taxes paid  | (1,849)                      | (2,940)   |
| Interest paid   | (17)                         | (637)   |
| <b>Net cash flow (used in)/ generated from operating activities</b> | <b>4,119</b>                 | <b>1,013</b>                                    |
| <b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>                   |                              |   |
| Interest received   | 196                          | 146   |
| Dividend received   | 7                            | -   |
| Proceeds from disposal of property, plant and equipment             | 45                           | -   |
| Purchase of property, plant and equipment                           | (2,664)                      | (103)   |
| Repayment/(Advance) to associates                                   | (122)                        | 685   |
| <b>Net cash generated from / (used in) investing activities</b>     | <b>(2,538)</b>               | <b>728</b>                                      |
| <b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>                   |                              |   |
| Finance cost paid   | (12)                         | (35)  |
| Dividend paid by subsidiary to non controlling interest             | (2,940)                      | (5,390)   |
| Proceeds from exercise of warrants                                  | -                            | 28  |
| Proceeds from hire purchase   | 974                          | -   |
| Repayment of lease liabilities                                      | (156)                        | -   |
| Repayment of hire purchase  | 698                          | (416)   |
| (Repayment)/Drawdown of loan and borrowings                         | 990                          | (3,003)   |
| <b>Net cash generated from / (used in) financing activities</b>     | <b>(446)</b>                 | <b>(8,816)</b>                                  |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVAL</b>             | <b>1,135</b>                 | <b>(7,075)</b>                                  |
| Effect of exchange rate changes on cash and cash equivalents        | 4                            | (25)  |
| <b>CASH AND BANK BALANCES AS AT 1 JULY</b>                          | <b>75,483</b>                | <b>51,611</b>                                   |
| <b>CASH AND BANK BALANCES AS AT 30 SEPTEMBER</b>                    | <b>76,622</b>                | <b>44,511</b>                                   |
| Less :Fixed deposit under lien                                      | (12,650)                     | (12,361)  |
| <b>CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER</b>                 | <b>63,972</b>                | <b>32,150</b>                                   |

(The unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

**FAJARBARU BUILDER GROUP BHD** (281645-U)

**Unaudited Consolidated Statement of Changes in Equity**  
**For the 1st Quarter Ended 30 September 2020**

|   | Share<br>Capital<br>(RM'000) | Treasury<br>Shares<br>(RM'000) | Other<br>reserve<br>(RM'000) | Warrant<br>reserve<br>(RM'000) | Employee<br>share option<br>reserve<br>(RM'000) | Fair value<br>reserve<br>(RM'000) | Foreign exchange<br>translation<br>reserve<br>(RM'000) | Retained<br>profit<br>(RM'000) | Attributable<br>to Owners of<br>the Company<br>(RM'000) | Non-Controlling<br>Interest<br>(RM'000) | Total<br>Equity<br>(RM'000) |
|---|------------------------------|--------------------------------|------------------------------|--------------------------------|---|-----------------------------------|--|--------------------------------|---|---|-----------------------------|
| <b>As at 1 July 2020</b>                                  | 194,303                      | (1,655)                        | 1,110                        | -                              | -   | (1,222)                           | (712)  | 117,961                        | 309,785   | 17,289                                  | 327,074                     |
| <b>Total comprehensive income/(loss)<br/>for the year</b> | -                            | -                              | -                            | -                              | -   | 5,103                             | 2  | 5,812                          | 10,917  | 3,444                                   | 14,361                      |
| Dividends   | -                            | -                              | -                            | -                              | -   | -                                 | -  | -                              | -   | (2,940)                                 | (2,940)                     |
| <b>As at 30 September 2020</b>                            | <u>194,303</u>               | <u>(1,655)</u>                 | <u>1,110</u>                 | <u>-</u>                       | <u>-</u>  | <u>3,881</u>                      | <u>(710)</u>   | <u>123,773</u>                 | <u>320,702</u>  | <u>17,793</u>                           | <u>338,495</u>              |
| <b>As at 1 July 2019</b>                                  | 194,275                      | (1,141)                        | 1,110                        | 7,674                          | 2,628   | (1,616)                           | (716)  | 92,085                         | 294,299   | 20,181                                  | 314,480                     |
| <b>Total comprehensive income/(loss)<br/>for the year</b> | -                            | -                              | -                            | -                              | -   | 1,177                             | (8)  | (2,197)                        | (1,028)   | (630)                                   | (1,658)                     |
| <b>Transactions with owners</b>                           |                              |                                |                              |                                |   |                                   |  |                                |   |   |                             |
| Dividends   | -                            | -                              | -                            | -                              | -   | -                                 | -  | -                              | -   | (5,390)                                 | (5,390)                     |
| Issue of ordinary shares:                                 |                              |                                |                              |                                |   |                                   |  |                                |   |   |                             |
| - pursuant to warrant exercised                           | 28                           | -                              | -                            | -                              | -   | -                                 | -  | -                              | 28  | -                                       | 28                          |
| Warrant expired   | -                            | -                              | -                            | (7,674)                        | -   | -                                 | -  | 7,674                          | -   | -                                       | -                           |
| <b>As at 30 September 2019</b>                            | <u>194,303</u>               | <u>(1,141)</u>                 | <u>1,110</u>                 | <u>-</u>                       | <u>2,628</u>                                    | <u>(439)</u>                      | <u>(724)</u>   | <u>97,562</u>                  | <u>293,299</u>  | <u>14,161</u>                           | <u>307,460</u>              |

(The unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

**Notes to the Interim Financial Report**

**A1 Basis of preparation**

The unaudited interim financial report has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

**A2 Changes of accounting policies**

The accounting policies adopted by the Group in the quarterly financial statements are consistent with those adopted in the financial statements for financial year ended 30 June 2020, except for the adoption of the following new and revised MFRSs, IC Interpretations and Amendments which are effective from the annual period on or after 1 January 2020:-

| Standard   | Title                          |
|--|--------------------------------|
| Amendments to MFRS 3   | Definition of a Business       |
| Amendments to MFRS 9,<br>MFRS 139 and MFRS 7                           | Interest Rate Benchmark Reform |
| Amendments to MFRS 101,<br>MFRS 108                                    | Definition of Material         |
| Amendments to References to the Conceptual Framework in MFRS Standards |                                |

The adoption of the above new accounting standards, interpretations and amendments does not have any material impact on the financial statements of the Group.

**A2.1 Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:**

*Effective for financial periods beginning on or after 1 January 2020:*

| <i>Standard</i>  | <i>Title</i>  |
|--|---|
| Amendments to MFRS 3   | Reference to the Conceptual Framework                     |
| Amendments to MFRS 4   | Extension of the Temporary Exemption from Applying MFRS 9 |
| Amendments to MFRS 9,<br>MFRS 139, MFRS 7,<br>MFRS 4 AND MFRS 16 | Interest Rate Benchmark Reform – Phase 2                  |

**A2.1 Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group (Cond't) :**

|   |   |
|---|---|
| Amendments to MFRS 10 and MFRS 128                | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| Amendments to MFRS 16                             | COVID-19 – Related Rent Concessions   |
| Amendments to MFRS 101                            | Classification of Liabilities as Current or Non-current                               |
| Amendments to MFRS 116                            | Property, Plant and Equipment – Proceeds before Intended Use                          |
| Amendments to MFRS 137                            | Onerous Contracts – Cost of Fulfilling a Contract                                     |
| Annual Improvements to MFRS Standards 2018 – 2020 |   |

The Group will apply the above MFRSs, Amendments/Improvements to MFRSs and IC Interpretations that are applicable once they become effective. The adoption of the above MFRSs, Amendments/Improvements to MFRSs and IC Interpretations is not expected to have any material impact on the financial statements of the Group.

**A3 Audit Report of Preceding Annual Financial Statements**

The audit report of the Group's annual financial statements for the year ended 30 June 2020 was not subject to any qualification.

**A4 Seasonal or cyclical factors**

The operations of the Group are not subject to seasonality / cyclicity of operations.

**A5 Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review because of their nature, size, or incidence.

**A6 Changes in estimates**

Not applicable.

**A7 Significant related party transactions**

There were no significant related party transactions during the financial period under review.

**A8 Movement in debt and equity securities**

There were no other issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the quarter under review.

The details of shares held as treasury shares for the period ended 30 September 2020 are as follow:

|                                 | Number of Treasury shares | Total Considerations RM |
|---------------------------------|---------------------------|-------------------------|
| Balance as at 30 June 2020      | 3,075,764                 | 1,654,910               |
| Repurchased during the quarter  | -                         | -                       |
| Balance as at 30 September 2020 | 3,075,764                 | 1,654,910               |

The shares purchased are being held as treasury shares in accordance with Section 127 (16) of the Companies Act, 2016.

**A9 Dividend paid**

There were no dividend paid during the current quarter.

**A10 Carrying Amount of revalued property, plant and equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the financial statement for the year ended 30 September 2020.

**A11 Segmental reporting**

The segmental information of the Group analysed by activities is as follows:-

|  | Before Group's Eliminations |                                      |                                |                   |                    |                              | Adjustment and Eliminations | Total   |
|--|-----------------------------|--------------------------------------|--------------------------------|-------------------|--------------------|------------------------------|-----------------------------|---------|
|  | Construction<br>RM'000      | Logging and timber trading<br>RM'000 | Property development<br>RM'000 | Trading<br>RM'000 | Logistic<br>RM'000 | Investment holding<br>RM'000 | RM'000                      | RM'000  |
| 3 months ended 30.09.20                      |                             |                                      |                                |                   |                    |                              |                             |         |
| <b>Revenue</b>                               |                             |                                      |                                |                   |                    |                              |                             |         |
| External Sales                               | 20,164                      | 16,996                               | 7,083                          | 215               | 602                | 15                           | 4,198                       | 49,273  |
| Inter-segment sales                          | 2,627                       | -                                    | -                              | 2,446             | -                  | 3,907                        | (8,980)                     | -       |
| Total revenue                                | 22,791                      | 16,996                               | 7,083                          | 2,661             | 602                | 3,922                        | (4,782)                     | 49,273  |
| <b>Results</b>                               |                             |                                      |                                |                   |                    |                              |                             |         |
| Profit/(Loss) from operation                 | (2,337)                     | 15,285                               | 2,914                          | (174)             | 148                | 3,021                        | (6,261)                     | 12,596  |
| Finance costs                                | (96)                        | -                                    | (19)                           | (15)              | -                  | -                            | -                           | (130)   |
| Share of results in associates               | -                           | 620                                  | -                              | -                 | -                  | -                            | -                           | 620     |
| Profit/(Loss) before tax                     | (2,433)                     | 15,905                               | 2,895                          | (189)             | 148                | 3,021                        | (6,261)                     | 13,086  |
| <b>Total assets</b>                          |                             |                                      |                                |                   |                    |                              |                             |         |
| Segment assets/<br>Consolidated total assets | 133,279                     | 30,299                               | 149,388                        | 6,841             | 685                | 77,769                       | 50,860                      | 449,120 |

|  | Before Group's Eliminations |                                      |                                |                   |                    |                              | Adjustment and Eliminations | Total   |
|--|-----------------------------|--------------------------------------|--------------------------------|-------------------|--------------------|------------------------------|-----------------------------|---------|
|  | Construction<br>RM'000      | Logging and timber trading<br>RM'000 | Property development<br>RM'000 | Trading<br>RM'000 | Logistic<br>RM'000 | Investment holding<br>RM'000 | RM'000                      | RM'000  |
| 3 months ended 30.09.19                      |                             |                                      |                                |                   |                    |                              |                             |         |
| <b>Revenue</b>                               |                             |                                      |                                |                   |                    |                              |                             |         |
| External Sales                               | 22,273                      | 5,377                                | 20,204                         | 1,969             | 306                | 84                           | 180                         | 50,393  |
| Inter-segment sales                          | 12,442                      | -                                    | -                              | 2,314             | -                  | 6,370                        | (21,126)                    | -       |
| Total revenue                                | 34,715                      | 5,377                                | 20,204                         | 4,283             | 306                | 6,454                        | (20,946)                    | 50,393  |
| <b>Results</b>                               |                             |                                      |                                |                   |                    |                              |                             |         |
| Profit/(Loss) from operation                 | (2,305)                     | 10,149                               | 3,691                          | (103)             | (39)               | 4,803                        | (17,156)                    | (960)   |
| Finance costs                                | (674)                       | (6)                                  | (1)                            | (1)               | (14)               | -                            | -                           | (696)   |
| Share of results in associates               | -                           | (192)                                | -                              | -                 | -                  | -                            | -                           | (192)   |
| Profit/(Loss) before tax                     | (2,979)                     | 9,951                                | 3,690                          | (104)             | (53)               | 4,803                        | (17,156)                    | (1,848) |
| <b>Total assets</b>                          |                             |                                      |                                |                   |                    |                              |                             |         |
| Segment assets/<br>Consolidated total assets | 185,480                     | 40,421                               | 181,341                        | 6,958             | 1,243              | 432,141                      | (376,308)                   | 471,276 |

**A12 Events subsequent to the balance sheet date**

There were no material events subsequent to the end of the period under review that have not been reflected in the quarterly financial statements.

**A13 Changes in composition of the Group**

There were no changes in the composition of the Group for the current financial quarter under review.



**A14 Capital commitments**

The outstanding commitments in respect of capital expenditure at the quarter under review provided for in the financial statements are as follows :

**Property, Plant & Equipment**

30 September 2020  
RM'000

Approved and contracted for  
- Denominated in RM

8,821

**A15 Changes in contingent liabilities**

|   | The Group      |                | The Company    |                |
|---|----------------|----------------|----------------|----------------|
|   | As at 30.09.20 | As at 30.06.20 | As at 30.09.20 | As at 30.06.20 |
|   | RM'000         | RM'000         | RM'000         | RM'000         |
| Performance and tender bond granted to contract customers | 54,963         | 54,993         | -              | -              |

## B Bursa Securities Listing Requirements (Part A of Appendix 9B)

### B1 Review of performance

|   | Individual Period (1st quarter)   |  |         | Cumulative Period                 |   |         |
|---|-----------------------------------|--|---------|-----------------------------------|---|---------|
|   | Current Year                      | Preceding Year                                     | Changes | Current Year                      | Preceding Year                                    | Changes |
|   | Quarter<br>30/09/2020<br>(RM'000) | Corresponding<br>Quarter<br>30/09/2019<br>(RM'000) | (%)     | To-date<br>30/09/2020<br>(RM'000) | Corresponding<br>Period<br>30/09/2019<br>(RM'000) | (%)     |
| Revenue   | 49,273                            | 50,393   | (2)     | 49,273                            | 50,393  | (2)     |
| Profit/(loss) from operation                        | 12,597                            | (961)  | 1411    | 12,597                            | (961)   | 1411    |
| Profit/(loss) before interest and tax               | 13,216                            | (1,152)  | 1247    | 13,216                            | (1,152)   | 1247    |
| Profit/(loss) before tax                            | 13,086                            | (1,848)  | 808     | 13,086                            | (1,848)   | 808     |
| Profit/(loss) after tax                             | 9,255                             | (2,819)  | 428     | 9,255                             | (2,819)   | 428     |
| Profit/(loss) attributable to Owners of the Company | 5,812                             | (2,197)  | 365     | 5,812                             | (2,197)   | 365     |

During the current quarter, the Group recorded a lower revenue of RM49.3 million as compared to RM50.4 million in the preceding year corresponding quarter. The lower revenue of 2% were mainly attributed to the Property Development, Construction and Trading segment. The Group's profit before tax was RM13.1 million in the current quarter as compared to a loss before tax of RM1.8 million in the preceding year corresponding quarter. The increase in profit before tax during the current quarter were mainly attributed to the Property Development and Logging and Timber Trading Segments which recorded RM16.7 million as compared to RM3.5 million in same quarter preceding year.

Detailed analysis of the performance for the respective operating business segments for the period ended 30 September 2020 are as follow:

|                          | Revenue                           |  |          | Profit / (Loss) before tax        |  |          |
|--------------------------|-----------------------------------|--|----------|-----------------------------------|--|----------|
|                          | Current Year                      | Preceding Year                                     | Changes  | Current Year                      | Preceding Year                                     | Changes  |
|                          | Quarter<br>30/09/2020<br>(RM'000) | Corresponding<br>Quarter<br>30/09/2019<br>(RM'000) | (RM'000) | Quarter<br>30/09/2020<br>(RM'000) | Corresponding<br>Quarter<br>30/09/2019<br>(RM'000) | (RM'000) |
| <b><u>Segment</u></b>    |                                   |  |          |                                   |  |          |
| Construction             | 20,164                            | 22,273   | (2,109)  | (3,154)                           | (3,931)  | NM       |
| Logging & timber trading | 16,996                            | 5,377  | 11,619   | 9,993                             | (1,468)  | 11,461   |
| Property development     | 11,281                            | 20,384   | (9,103)  | 6,661                             | 4,926  | 1,735    |
| Trading                  | 215                               | 1,969  | (1,754)  | (123)                             | (81)   | NM       |
| Logistic                 | 602                               | 306  | 296      | 92                                | (106)  | 198      |
| Investment holding       | 15                                | 84   | (69)     | (383)                             | (1,188)  | NM       |
| Total                    | 49,273                            | 50,393   |          | 13,086                            | (1,848)  |          |

\* NM = Non-meaningful

#### Construction Segment

For the current quarter, revenue decreased to RM20.2 million; as compared to RM22.3 million in the preceding year corresponding quarter. The segment recorded a loss before tax of RM3.2 million in the current quarter as compared to a loss before tax of RM3.9 million in the preceding year corresponding quarter.

The lower revenue and loss before tax for the current quarter was due to the Jerantut-Gua Musang rail rehabilitation project which did not have much activities due to near completion stage as well as Duke 3 projects which have been novated. Duta Park project recorded a higher revenue in the current quarter as compared to the previous corresponding quarter as the project was in its initial stage then.

#### Logging and Timber Trading Segment

The Logging and Timber Trading segment recorded a higher revenue of RM17.0 million for the current quarter as compared to the preceding year same quarter of RM5.3 million due to the higher production and higher selling price of timber. As a result there is an increase in profit before tax of RM10.0 million in the current quarter as compared to a loss before tax of RM1.5 million in the preceding year same quarter.

#### Property Development Segment

The Property Development Segment recorded a revenue and profit before tax of RM11.3 million and RM6.7 million respectively as compared to a revenue of RM20.4 million and profit before tax of RM5.0 million in the preceding year corresponding quarter.

For the current quarter, revenue decreased by RM9.1 million as compared to the preceding year corresponding quarter. However, the profit before tax increased by RM1.7 million. The decrease in revenue was a result of lesser work progress for Rica Residence @ Sentul development as it is almost in its completion stage and certificate of practical completion (CPC) was issued on 15 September 2020. The increase in profit before tax was due to revision and finalisation on construction cost of Rica Residence @ Sentul.

#### Trading and Logistic Segments

For the current quarter, the Trading Segment registered a revenue of RM0.2 million as compared to the same quarter preceding year of RM2.0 million. The segment recorded a loss before tax of RM0.1 million as compared a loss before tax in the same quarter preceding year of RM0.08 million. The lower revenue for the current quarter was due to lower procurement from the Construction Segment.

The Logistic Segment registered a revenue of RM0.6 million as compared to RM0.3 million in the preceding year corresponding quarter. It recorded a profit before tax of RM0.09 million in the current year as compared to a loss of RM0.1 million in the preceding year same quarter. The increase in revenue is in concurrence with the increase in the Logging and Timber Trading Segment as the Logistic Segment provides services to the segment.

**B2 Variation of result against preceding quarter**

|   | Current Year<br>Quarter<br>30/09/2020<br>(RM'000) | Immediate<br>Preceding Quarter<br>30/06/2020<br>(RM'000) | Changes<br>(%) |
|---|---|--|----------------|
| Revenue   | 49,273  | 27,633   | 78             |
| Profit/(loss) from operation                        | 12,597  | (26)   | 48548          |
| Profit/(loss) before interest and tax               | 13,216  | 965  | 1270           |
| Profit/(loss) before tax                            | 13,086  | 11,041   | 19             |
| Profit/(loss) after tax                             | 9,255   | 9,082  | 2              |
| Profit/(loss) attributable to Owners of the Company | 5,812   | 8,250  | (30)           |

For the current quarter of 30 September 2020, the Group registered a higher revenue of RM49.3 million and a profit before tax of RM13.1 million as compared to a revenue of RM27.6 million and a profit before tax of RM11.0 million in the preceding quarter ended 30 June 2020.

The increase in revenue and profit before tax is primarily due to the Logging and Timber Trading Segment and Property Development Segment.

**B3 Current year prospects**

Bank Negara reported that the Malaysian construction industry declined to a negative 12.4% in the third quarter of 2020, an improvement from negative 44.5% in second quarter and this is attributed to the resumption of projects across all subsectors. In the short to mid-term, there will be still uncertainties in the construction industry. A total of RM15 billion being allocated in the Budget 2021 to fund key transport infrastructure projects which include the Pan Borneo Highway, Gemas-Johor Bahru Electrified Double-Tracking and Phase 1 of the Klang Valley Double-Tracking projects are vital for the industry's recovery from Covid-19. The Group's Construction segment will continue to focus on our current order book of approximately RM402.5 million and will continue its effort to bid for future rail construction and infrastructure works.

The Group is fairly optimistic that sales of the remaining units of Rica Residence @ Sentul will improve with buyer-centric incentives initiated by the government, under the new short-term Economic Recovery Plan or PENJANA such as reintroduction of Home Ownership Campaign (HOC), Real Property Gains Tax (RPGT) exemption and the relaxation of the current 70% financing margin limit for third housing loan onwards. Sales of Rica Residence @ Sentul remained at 74% and the development is scheduled for completion in early 2021. Fajarbaru will continue to hold on to our landbanks and launch new developments subject to market improvements. Sales rate for our Melbourne project, Paragon remained at 92% and construction works are progressing well and scheduled to complete by early 2021. Ongoing efforts to sell the remaining units are in progress.

In the Logging and Timber Trading segment, the Group's contribution of revenue is projected to be lower due to lesser acreage of working blocks left to log. However, we have approximately 14,000 acres left of working block from our associate company yet to be logged and this will continue to contribute to the Group's earnings in the future.

Malaysia's GDP shrank to a negative 2.7% in the third quarter of 2020 compared to a sharper negative 17.1% in the second quarter of 2020 as reported by Bank Negara. The improved performance was largely reflected impact of the reopening of the economy from Recovery Movement Control Order. The recent resurgence of COVID-19 cases and targeted containment measures could affect the momentum of the recovery in the final quarter of the year. However, as most economic sectors have been allowed to continue to operate subject to compliance with standard operating procedures (SOPs), the impact is expected to be less severe compared to the containment measures during previous periods. The Malaysian economy is expected to improve further going into 2021 in tandem with better global demand and domestic policy support. While the Group's operations have been adversely affected, we will continue to explore more business opportunities and is committed to continue capitalising our strengths to generate sustainable revenue from its existing or new businesses.

**B4 Profit forecast**

Not applicable.

**B5 Profit guarantee**

Claim by the Company against Cashrep Holdings Sdn. Bhd. ("Cashrep") and Cita Jati Sdn. Bhd. ("Cita Jati") based on Profit Guarantee Agreement.

On 23 November 2006 and 11 April 2007, the Company has obtained Winding-Up Orders from the Court against Cita Jati and Cashrep respectively. The Official Receiver from the Jabatan Insolvensi, Wilayah Persekutuan was appointed as liquidator for both companies.

**B6 Income tax**

Income tax includes:

|  | Individual Quarter                     |  | Cumulative Quarter                     |  |
|--|--|--|--|--|
|  | 3 months ended<br>30/09/2020<br>RM'000 | 3 months ended<br>30/09/2019<br>RM'000 | 3 months ended<br>30/09/2020<br>RM'000 | 3 months ended<br>30/09/2019<br>RM'000 |
| Current period's provision                   | 3,831                                  | 971                                    | 3,831                                  | 971                                    |
| Under / (Over) provision for the prior years | -                                      | -                                      | -                                      | -                                      |
|  | 3,831                                  | 971                                    | 3,831                                  | 971                                    |
| Deferred taxation                            | -                                      | -                                      | -                                      | -                                      |
| Under / (Over) provision for the prior years | -                                      | -                                      | -                                      | -                                      |
|  | 3,831                                  | 971                                    | 3,831                                  | 971                                    |

Taxation is computed after taking into consideration the available capital allowances and the adjusted business losses carried forward from previous years to set off against taxable profit.

**B7 Purchase or disposal of quoted securities**

There were no purchase or disposal of quoted securities in Malaysia during the financial quarter under review.

Investment in quoted shares as at 30 September 2020 were as follows :

|                 | <b>RM'000</b> |
|-----------------|---------------|
| At cost         | 11,822        |
| At market value |               |
| - Shares        | 12,573        |
| - Warrants      | 3,132         |

**B8 Status of corporate proposals announced**

There were no corporate proposal announced during the financial period to date.

**B9 Borrowings**

The tenure of the Group borrowings classified as follows:-

|                       | <b>30 September 2020</b> |                  | <b>30 September 2019</b> |                  |
|-----------------------|--------------------------|------------------|--------------------------|------------------|
|                       | <b>Short term</b>        | <b>Long term</b> | <b>Short term</b>        | <b>Long term</b> |
| <b><u>Secured</u></b> | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>            | <b>RM'000</b>    |
| Term loan             | -                        | -                | 26,723                   | 2,500            |
| Hire purchase         | 1,841                    | 2,638            | 1,673                    | 3,050            |
| Invoice Finance       | 2,674                    | -                | 8,417                    | -                |
| Revolving Credit      | 25,000                   | -                | 16,667                   | -                |
|                       | <u>29,515</u>            | <u>2,638</u>     | <u>53,480</u>            | <u>5,550</u>     |

**B10 Off balance sheet financial instruments**

The Group does not have any financial instrument with off balance sheet risk as at 30 September 2020.

**B11 Trade receivables**

The age analysis of trade receivables is as follow :

|                      | <b>Current<br/>Quarter Ended<br/>30/09/2020<br/>RM'000</b> |
|----------------------|--|
| Not past due         | 24,155   |
| Past due:            |  |
| - less than 3 months | 4,338  |
| - 3 to 6 months      | 391  |
| - over 6 months      | -  |
| - more than 1 year   | 11,725   |
|                      | <u><b>40,610</b></u>                                       |

The Group is satisfied that recovery of the amount is possible, therefore there is no impairment for past due trade receivables.

**B12 Material litigation**

There were no any other proceeding, pending or threatened litigation or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group as at 30 September 2020 except as disclosed in the following:-

- a) **Fajarbaru Builder Sdn. Bhd. (“Claimant”) vs Tan Wee Meng (“Respondent”)**  
The Claimant had filed a Claimant’s Statement of Case dated 13 December 2019 against the Respondent for a sum of RM10,000,000.00 (“the Claim”).

The Claim was made pursuant to a Director’s Guarantee dated 8 August 2017 given by the Respondent in favour of the Claimant, whereby the Respondent irrevocably and unconditionally undertook to immediately pay on demand to the Claimant any amount due and owing by TYL Land & Development Sdn Bhd (“TYL Land”), up to the maximum guarantee amount of RM10,000,000.00, in respect of the whole of the obligations of TYL Land in relation to the Podium Block works of L’Marq Semenyih Project carried out by the Claimant.

- b) **Fajarbaru Builder Sdn. Bhd. (“Claimant”) vs Shaw Plaza Sdn. Bhd. (“Respondent”)**

On 19 April 2019, the Claimant was served with a Solicitor Letter of agreeable to resolve their differences and disputes by way of arbitration proceedings to the Respondent.

The Solicitor Letter to the Respondent to refer the disputes or differences arising from the Contract and Mutual Termination Agreement dated 25 May 2015 (“MTA”), relating to the Shaw Parade Project to arbitration. The Claimant has indicated to the Respondent that they have a claim against the Respondent amounting to RM22.8 million, in addition to other damages, costs, interests and other expense claims.

**B13 Dividend**

An interim single tier dividend of 1.75 sen per ordinary share be declared in respect of the financial year ending 30 June 2021.

The interim dividend will be paid on 30 December 2020 to the shareholders whose name appear in the Record of Depositors of the Company on 14 December 2020.

**B14 Earnings per share**

The **basic earnings per share** is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issued at the end of the period.

The **diluted earnings per share** is calculated by dividing the net profit attributable to equity holders of the Company for the current individual quarter and the current cumulative quarter by the adjusted weighted average number of ordinary shares in issue during the current individual quarter and the current cumulative quarter plus the weighted average number of ordinary shares which deemed to be issued on conversion of warrants and ESOS into ordinary shares.

|   | Individual Quarter                       |  | Cumulative Quarter                       |  |
|---|--|--|--|--|
|   | 3 months<br>Ended<br>30/9/2020<br>RM'000 | 3 months<br>Ended<br>30/9/2019<br>RM'000 | 3 months<br>Ended<br>30/9/2020<br>RM'000 | 3 months<br>Ended<br>30/9/2019<br>RM'000 |
| Net profit attributable to Owners of the Company                  | 5,812                                    | (2,197)                                  | 5,812                                    | (2,197)                                  |
| Weighted Average Number of shares at the end of the period ('000) | 370,807                                  | 372,775                                  | 370,807                                  | 372,775                                  |
| <b>Basic (loss) / earnings per share (sen)</b>                    | 1.57                                     | (0.59)                                   | 1.57                                     | (0.59)                                   |

Diluted earnings per ordinary share is not applicable as the Company does not have any convertible instruments.

#### **B15 Profit before taxation**

|  | Current Year<br>Quarter<br>30/09/2020<br>RM'000<br>Unaudited | Current Year<br>To-date<br>30/09/2020<br>RM'000<br>Unaudited |
|--|--|--|
| Profit before tax is arrived at after charging/(crediting):- |  |  |
| Interest income  | (307)  | (307)  |
| Depreciation   | 3,428  | 3,428  |
| Interest expense   | 118  | 118  |
| (Gain)/Loss on disposal of property, plant & equipment       | (45)   | (45)   |
| Unrealised (gain)/loss on foreign exchange                   | (122)  | (122)  |
| Unrealised (gain)/loss on investment fund                    | (2)  | (2)  |

#### **B16 Authorisation for issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 26 November 2020.

By Order of the Board  
**Fajarbaru Builder Group Bhd (281645-U)**

Dato' Ir Low Keng Kok  
Chairman

Kuala Lumpur  
26 November 2020